

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

REC ROOM, INC.,

Plaintiff,

V.

M.Z.

Defendants.

Case No. 2:23-cv-01586-KKE

PLAINTIFF REC ROOM, INC.'S
COMBINED JOINT STATUS REPORT
AND DISCOVERY

1. The Nature and Complexity of the Case

This is a case involving parties in Washington and Canada, with a relatively small collection of copyrights and contracts at issue. Expert testimony will need to be taken on the technological particulars of the claims, and documents will need to be produced. Third-party discovery will also need to be taken, and party communications will need to be disclosed.

a. Rec Room's Statement

Rec Room is a successful multiplayer game that Defendant M.Z. has targeted with cheating and hacks. Rec Room has attempted to ban M.Z. to prevent his actions from disrupting the user experience and to prevent him from harassing Rec Room personnel, but M.Z. has repeatedly evaded these bans and other lawful measures designed to prevent his activities. He

1 doesn't simply develop hacks, he sells and otherwise proliferates them to other users, extending
 2 their reach and amplifying the damage they cause. The defendant profits from his direct attack on
 3 the game and resists all lawful effort to prevent him from doing so. Rec Room was forced to
 4 resort to this action.

5 Rec Room brought claims for breach of contract, fraud in the inducement, copyright
 6 infringement, circumvention of technological measures, and tortious interference. M.Z.'s ban
 7 evasion, harassment, cheating, and hack sales constitute a violation of the terms of service
 8 ("ToS"), which he agreed to when he initially downloaded and played Rec Room, and which he
 9 would have had to agree to each time he evaded a ban to do so again. Every time M.Z. agreed
 10 to the Rec Room ToS, he intended to breach it and intended for his misrepresentation of assent to
 11 trigger Rec Room to allow him into the game, fraudulently inducing Rec Room to allow him to
 12 use its services. The use and sale of the hacks the M.Z. develops represent a willful infringement
 13 of Rec Room's copyrights. Each of M.Z.'s repeated ban evasions are circumventions of Rec
 14 Room's technological measures, and his sale of hacks that breach the Terms of Service represent
 15 tortious interference with Rec Room's contractual relations with the users to whom M.Z. is
 16 supplying hacks.

17 **b. Defendant's Statement**

18 Consistent with the Court rules, Defendant agrees with the statement regarding the nature
 19 and complexity of the case. Defendant denies Plaintiff's allegations and claims in the matter and
 20 denies Plaintiff's claim of alleged damages.

1 **2. Alternative Dispute Resolution**

2 The parties will discuss potential early resolution to this case. The parties do not wish, at
3 this time, to submit these matters to mediation pursuant to Local CR 39.1.

4 **3. Timing of Alternative Dispute Resolution**

5 The parties do not believe formal alternative dispute resolution will be productive at this
6 time. The parties will engage in alternative dispute resolution as required by the Court rules.

7 **4. Related Cases**

8 Neither Plaintiff nor Defendant is aware of any related cases pending before this Court or
9 in any other jurisdiction.

10 **5. Proposed Deadline for Joining Additional Parties**

11 Plaintiff's proposed deadline for joining additional parties is April 15, 2025. Defendant's
12 proposed deadline for joining additional parties January 6, 2025.

13 **6. Proposed Discovery Plan**

14 **a. Fed. R. Civ. P. 26(f) Conference**

15 The Fed. R. Civ. P. 26(f) conference was held via phone call on August 16, 2024.
16 Plaintiff and Defendant were both represented by counsel. Pursuant to the Court's order,
17 Plaintiff's and Defendant's initial disclosures were exchanged on September 3rd. This Joint
18 Status Report and Discovery Plan pursuant to Fed. R. Civ. P. 26(f) will have been filed by
19 September 9th.

20 **b. Discovery to be Conducted**

21 Plaintiff intends to serve discovery requests regarding, but not necessarily limited to:
22 Defendant's Discord communications; Defendant's communications, draft communications,

1 statements, and draft statements regarding his use, development, and sale of hacking software;
 2 Defendant's source code for his software; Defendant's communications regarding any
 3 individuals he's worked with the to evade bans and/or traffic in cheats.

4 Defendant intends to conduct discovery into Plaintiff's investigation into the alleged acts
 5 of Defendant; Plaintiff's non-privileged communications regarding the allegations of the
 6 Complaint; Plaintiff's support for the allegations in the Complaint; Plaintiff's allegations
 7 regarding Terms of Service or other contractual provisions; Plaintiff's development and
 8 enforcement of its policies and procedures relating to the game; Plaintiff's development and
 9 sufficiency of protections for its games; Plaintiff's communications and/or documentation
 10 regarding Defendant; all communications regarding any alleged concerns and/or complaints
 11 about the Defendant or Defendant's activities; and all documentation and/or support for
 12 Plaintiff's alleged damages.

15 **c. Limitations on Discovery**

16 The parties agree that no changes or additions should be made to the limitations to
 17 discovery imposed under the Federal Rules of Civil Procedure and the Local Civil Rules.

18 **d. Management of Discovery**

19 The parties agree that the Federal Rules of Civil Procedure and the Local Civil Rules
 20 shall be used to manage discovery to minimize expenses. The parties agree to share discovery
 21 from third parties and will present discovery disputes to the Court by informal means when
 22 applicable and allowed by the Court.

1 e. **Other Orders to Be Entered by the Court**

2 The parties agree that, at the time of the Joint Status Report and the Standard Protective
 3 Order, no other orders should be entered by the Court pursuant to Fed. R. Civ. P. 26(c) or Local
 4 Rules CR 16(b) and (c). The parties will submit a proposed Protective Order for the Court's
 5 consideration.

6 7. **Date of Completion of Discovery**

7 The parties agree that all fact discovery matters in this case will be completed by May 15,
 8 2025, that any expert discovery will be completed by July 15, 2025, and that dispositive motions,
 9 if any, will be filed by August 15, 2025.

10 Plaintiff proposes the following deadlines:

- 11 • Service of initial document requests and interrogatories: November 15, 2024
- 12 • Completion of document production: March 15, 2025
- 13 • Time to amend or add additional parties: April 15, 2025
- 14 • Identification of affirmative experts: June 15, 2025
- 15 • Identification of rebuttal experts: July 1, 2025
- 16 • Affirmative expert reports: August 15, 2025
- 17 • Rebuttal expert reports: September 15, 2025

18 Defendant proposes the parties follow the Court rules and issued Order on scheduling.

19 8. **Preservation of Discoverable Information.**

20 The parties agree to maintain and not destroy any discoverable information that may be
 21 related to this matter, including social media postings. The parties do not know of any issues
 22 relating to the preservation of discoverable information.

1 9. **Inadvertent Production of Privileged Information**

2 The parties agree to not read anything believed to be an inadvertent disclosure and to
3 notify one another if they believe an inadvertent disclosure has occurred as soon as practicable as
4 well as delete or destroy such purported privileged materials.

5 10. **Electronically Stored Information**

6 The Parties agree to adopt this district's model agreement regarding discovery of ESI to
7 the extent possible for a minor party.

8 11. **Consent to Magistrate Judge to Conduct All Proceedings**

9 The Parties have not consented to a Magistrate Judge to conduct all proceedings.

10 12. **Bifurcation**

11 The Parties agree that the liability issues and damages issues in this case should not be
12 bifurcated.

13 13. **Pretrial Statements and Pretrial Orders**

14 The parties agree that the pretrial statements and a pretrial order pursuant to Local Rules
15 CR 16(e), (h), (i), and (l), and 16.1 should be required in whole and not dispensed.

16 14. **Suggestions for Shortening and/or Simplifying the Case**

17 The parties do not have further suggestions for shortening or simplifying this case.

18 15. **Date for Trial**

19 The parties agree that this matter will be ready for trial the week of October 13, 2025.

20 16. **Jury or Non-Jury Trial**

21 Plaintiff contends that any jury trial should be limited to a jury's determination of
22 Defendant's liability for damages, civil penalties, *see Tull v. U.S.*, 481 U.S. 412 (1987), and the

1 amount of civil penalties. Determinations regarding liability for and the nature of injunctive
2 relief are reserved to the Court.

3 Defendant acknowledges Plaintiff's demand for jury trial.

4 **17. Numbers of Days For Trial**

5 Pending discovery, the parties believe that this matter should be able to be tried within 7
6 court days.

7 **18. Names, Addresses, Email Addresses, and Telephone Numbers of All Trial Counsel**

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1 DATED this 9th day September, 2024.

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41 *Attorney for Defendant*

1 CERTIFICATE OF SERVICE

2 I hereby certify that I electronically filed the foregoing with the Clerk of the Court using
3 the CM/ECF system which will send notification of such filing to the attorneys of record for the
4 parties and to the following:

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12 Attorneys for Plaintiff M.Z.

13 DATED this 9th day of September, 2024.

16 /s/ Kristin Martinez Clark

17 Kristin Martinez Clark